O/Sugar/53

1953.

File No. 39/53

P.3.E

Legal Deptt.

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Subject:—

Opinion on
Sugar matters

O/Sugar/53

File No. 39/53

Gen. 194 e.

C O N T E N T S

Legal Department File No. C. Sugar /53(C.39)

Sr. No.	N. I. / C. No.	Subject	Pages.
		Opinions on Sugarmatters.	
1.	C-82/4-2-53	Whether the excess amounts realised by the wholesale dealers in Poona by the sale if inferior grade of Sugar to the retail dealers of the price fixed for superior grade can be recovered from them.	1-4

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5 Cs.

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 Office of the R.L.A.

The question for R.L.A.'s consideration is whether the excess amounts realised by the wholesale dealers in Poona by the sale of inferior grade of sugar to the retail dealers at the price fixed for superior grade, can be recovered from them.

Enquiries into the matter reveal that sugar of superior grade was supplied only upto February 1944 and thereafter sugar of inferior grade was supplied by the Maharashtra Sugar Mills to the wholesalers in Poona. The wholesale prices of Rs.17-5-0 and Rs.18-12-0 per maund were based on ex-factory price of Rs.15-3-0 which was fixed for 28D grade of sugar. The sugar supplied after February 1044 was of 26D and 25D grade the ex-factory price of which was Rs.16-0-6 and Rs.14-14-6 per maund respectively. The wholesalers however made excess profits as they sold all this inferior sugar at the rate of Rs.17-5-0 till November 1944 and thereafter at Rs.18-12-0 i.e. at the increased price fixed by Government in view of the increased excise duty. It seems the excess rates were recovered for sugar sold from February 1944 to January 1945. The excess profits amount to Rs.1,11,903-15-6 out of which only Rs.3,812-1-0 are recovered from 3 merchants who paid voluntarilly. The other 14 merchants have not yet paid the amount. 8 of them have contended that a flat rate for sugar of the Maharashtra Sugar Mills was fixed without mentionin; any grade and the Inspectorial Staff checked their stocks and accounts from time to time as also statements were furnished in respect of this stock to the Rationin; Officer, but none of them suggested any change. Their contention is not without substance. Under the orders fixin; the prices No. PC/O/VI-1945, dt. 25-12-43 and No.PC/O/V-44, dt. 24-5-44 issued by the District Magistrate and Controller

Controller of Prices, Poona the wholesale price per maund of sugar of Maharashtra was fixed at Rs.17-5-0 The grade was mentioned as 'D' in the first notification No.PC/O/VI - 1943 dt. 9-10-43 andalthough 'D' was not mentioned in the subsequent notifications/from time to time, it is implied that the price was for grade'D'. The Civil Supplies Department has stated that letter 'D only indicates the size of the sugar grain and the colour which is indicated by the numerical figure such as '25D' '26D' '28D' was not mentioned in the notification. There was no obligation on those dealers to inform the authorities about inferior sugar because they have not informed as to how this figure of Rs.17-5-0 was arrived at. No legal action appears feasible in this case. Besides more than 8 years have since elapsed.

These merchants were then holding licenses under the Defence of India Rules. Condition 3 of this licence (at p.52) provided that the licensee shall not sell sugar at a price exceeding the maximum prices prescribed from time by the Consroller of Prices Poona. As the maximum was fixed by the Controller of Prices, Poona without any specification of the numerical grades, no action is feasible.

Sd/P.U.IAD.
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Remembrancer of Legal Affairs.

U.R. to C.S.D. No. 82, dated the 4th February 1953.

VOP. 14-8-56.